

MULTIMEDIA



UNIVERSITY

STUDENT ID NO

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MULTIMEDIA UNIVERSITY

FINAL EXAMINATION

TRIMESTER 1, 2017 / 2018

DBL5018 – BUSINESS LAW

(For Diploma Students Only)

27 October 2017
3.00 p.m. – 5.00 p.m.
(2 Hours)

INSTRUCTIONS TO STUDENT

1. This question paper consists of 2 pages with 4 questions.
2. Answer all questions.
3. You are required to cite provisions and case laws where relevant.
4. Write all your answers in the Answer Booklet provided.

QUESTION 1

a) A contract is a legally binding agreement between two parties. With reference to the provisions in the Contract Act 1950, define the following:

i) Proposal / Offer

(3 Marks)

ii) Certainty of terms

(2 Marks)

b) List down all (5) FIVE examples of invitation to treat.

(5 Marks)

c) Kamen was 17 years old when he received a scholarship offered by Um Bank Berhad amounting to RM50,000.00 to further his tertiary education at Multimedia University. There is a clause in the scholarship agreement stated that he is bound to work with Um Bank Berhad for 5 years after he graduated from the university. 4 years later, Kamen successfully graduated and started working with Um Bank Berhad. Subsequently after 3 months, Kamen felt unhappy with his working environment and resigned from Um Bank Berhad. Since Kamen failed to comply with the scholarship agreement, Um Bank Berhad wants to take legal action against Kamen.

As a legal advisor, advise Kamen whether there is a valid contract between him and Um Bank Berhad.

(15 marks)

[Total : 25 Marks]

QUESTION 2

a) Briefly explain the principle of separate legal entity based on the landmark case of *Salomon v Salomon & Co. (1897)*.

(10 Marks)

b) The court will lift the corporate veil when it is required for the sake of justice. Discuss all (5) FIVE judicial exceptions to the principle of separate legal entity.

(15 marks)

[Total : 25 Marks]

QUESTION 3

a) According to the Sale of Goods Act 1957, goods that are the subject to a contract of sale can be classified into several ways. With reference to the provisions in the Act, explain on future goods in depth.

(4 Marks)

Continued...

- b) The term 'goods' are broadly defined in the Sale of Goods Act 1957. List down all (4) **FOUR** exclusions of good which are not covered under the Act. (4 Marks)
- c) Julie is a baker and she owns a bakery in Taman Tanjung Malim, Kuala Lumpur. In April 2017, one of her regular customer ordered several boxes of cakes and cookies to be supplied to Indonesia. She requested from her supplier, Cookies Products, to deliver 100 kilograms of all-purpose flour and 15 packets of Jamie's cocoa powder. Three days later, Cookies Products delivered 100 kilograms of cake flour and 15 packets of Jimie's cocoa powder.
- Advise Julie whether she has the right to terminate her contract with Cookies Product for failing to comply her descriptions of goods. (15 Marks)
- d) State any (2) **TWO** exceptions to the rule expressed in the Latin maxim '*nemo dat quod non habet*'. (2 Marks)

[Total : 25 Marks]

QUESTION 4

According to Section 5 of the Financial Services Act 2013, insurance business is divided into two classes. A licensed insurer, other than a licensed professional reinsurer, shall not carry on both classes of insurance.

- a) With reference to the provisions in the Financial Services Act 2013, explain the following:
- i. Premium in insurance (4 Marks)
 - ii. Policy of insurance (5 Marks)
- b) Explain any (2) **TWO** differences between contingency insurance and indemnity insurance. (10 Marks)
- c) Explain the components of insurable interest in life policy. (6 Marks)

[Total : 25 Marks]

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